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Iran-Iraq: Deteriorating Relations

An Intelligence Memorandum

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Iran-Iraq: Deteriorating Relations (U)

Summary

The assumption of government authority in Iran by Ayatollah Khomeini's Revolutionary Council is worsening relations between Iran and Iraq. Although efforts to cool the situation are continuing, the departure from the Provisional Government of Iran of relatively moderate elements, such as Prime Minister Bazargan and Foreign Minister Yazdi, means that no one is now in a position to temper the revolutionary zeal of the Shia Islamic extremists in Khomeini's entourage. A serious outbreak of fighting between the two countries would significantly disrupt the world oil situation and the stability of the Middle East.

For its part, Iraq since 1975 has preferred to have a stable relationship with Iran. Baghdad has tried to reach an accommodation with the Khomeini regime but has been frustrated by the confusion and chaos in the Islamic leadership. The growing clerical domination in Iran, moreover, is increasingly tempting the Iraqis to see early replacement of Khomeini as the best possible course to restore regional stability and increase Iraqi influence in the area.

Neither Iran nor Iraq appears to want to initiate a major conflict because both realize it would be difficult to control and could easily damage their oil facilities. Localized border clashes could escalate out of control. Moreover, the danger exists that all semblance of government could collapse in Iran, presenting the Iraqis with an inviting target.

The above information is Secret.

The principal authors of this paper are [redacted] of the Office of Political Analysis. Comments and queries are welcome and should be addressed to the Chief, Near East South Asia Division, Office of Political Analysis, telephone [redacted] This 25X1 paper has been coordinated with the Office of Strategic Research and the National Intelligence Officer for Near East and South Asia. Research was completed on 15 November 1979. (U)

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**Iran-Iraq:
Deteriorating Relations (u)**

Relations between Iran and Iraq have been poor since the collapse of the Shah's regime last February. The assumption of power in Iran of Ayatollah Khomeini's shadowy Revolutionary Council is damaging further the relationship between the two countries. The relatively moderate leaders of the Provisional Government of Iran, especially Prime Minister Bazargan and Foreign Minister Yazdi, have been removed, and there is no one of comparable stature to temper the revolutionary zeal of the Shia Islamic extremists in Ayatollah Khomeini's entourage. Moreover, the Revolutionary Council's assumption of executive power in Iran has increased the country's tendency toward chaos and confusion and further weakened Tehran's ability to govern effectively. Nonetheless, efforts to calm the situation are continuing. The Palestine Liberation Organization representative in Iran is reportedly acting as an intermediary between the two sides.

Events just prior to the fall of the Bazargan government had already eroded relations. In late October the Iraqi Ambassador in Beirut stated publicly that Iran should "voluntarily" make several adjustments in the 1975 Algiers Accord that ended the Kurdish insurgency in Iraq and settled a longstanding border quarrel between Baghdad and Tehran over the status of the Shatt al Arab waterway, Iraq's only outlet to the Persian Gulf. The Ambassador suggested, among other things, that full Iraqi sovereignty be restored over the Shatt al Arab. Although the Iraqi leadership in Baghdad has not repeated the Ambassador's remarks, a well-placed Iraqi official has since told US diplomats in private that Iraq no longer considers the accord valid. The Iranians are probably suspicious that the Iraqi leadership intends to abrogate the agreement.

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Immediately following the seizure of the US Embassy in Tehran, Iranian revolutionary zealots also seized two Iraqi consulates in western Iran; one in Kordestan and the other in Khuzestan Province, Iran's oil region. The Iraqis retaliated by seizing the Iranian consulates in Basrah and Karbala. Although the two governments have successfully resolved the consulate skirmishes, the episode illustrates the Iranian regime's inability to keep its house in order as well as the Iraqis' determination to respond strongly to any Iranian provocation.

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The Iranian View

The Iranian hierarchy had been divided in the past on how to deal with Iraq. Bazargan and Yazdi recognized the danger of provoking Iraq, given Iran's political instability, economic disarray, lack of an effective military force, and the unrest among its ethnic minorities. Yazdi, in particular, played an active role in trying to ease tensions and met with Iraqi President Saddam Husayn at the nonaligned conference in Havana.

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Where the moderates saw danger, some Iranian religious leaders see opportunity, even duty. To many Shia leaders in Iran, the Iraqi regime is an outrage because a minority Sunni government rules over a majority Shia population. Moreover, the Iranians regard the Iraqi regime as insufficiently Islamic and believe the Iraqis have failed to back the Iranian revolution. Ayatollah Khomeini is particularly angry with the Iraqis because after spending 13 years in exile in Iraq at the Shia holy city of Najaf, the Baghdad authorities ousted him in late 1978 because of their desire to keep relations with the Shah on an even keel.

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The Iranians are also convinced that the Iraqis are encouraging revolt among Iran's Kurdish, Arab, and Baluchi minorities. Tehran is well aware that the Iraqis have longstanding ties to Arab dissidents in Khuzestan and to various Kurdish tribes. Iranian fears are not altogether unsubstantiated. The Iraqis are maintaining and reviving contacts with the various Iranian ethnic groups that they supported before the Algiers agreement.

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Some in the Islamic leadership openly favor exporting Iran's revolution to its Arab neighbors and doubtless see Iraq as a prime candidate for subversion. Ayatollah Khomeini, for example, responded in April to the Iraqi President's message of congratulations by issuing the barely veiled threat that Iran's revolution against the "Pahlavi dictatorship" had been a "warning to all the arrogant" from the "weak and oppressed." At the same time there are reports that cassettes and leaflets advancing Khomeini's views have been distributed in Iraq.

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Earlier this year tensions in Iraq between Sunnis and Shias were fueled by antiregime literature circulated by various groups claiming to represent or to speak for oppressed Iraqi Shias. The literature called for the overthrow of the Ba'thist regime and emphasized the ties between Iraqi and Iranian Shias.

The connections between Iranian religious leaders and Iraqi Shias are furthered by the presence in Iraq of about 250,000 Shias of Iranian ancestry, most of whom reside near the two Shia holy cities of Karbala and Najaf. One of Iran's most respected clerical leaders, Ayatollah Khoi, resides in

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Najaf. In June the Iraqi Government arrested Iraqi Shia leader Ayatollah Baqr Sadr, apparently to prevent him from leading budding religious-based antigovernment dissidence. Baqr Sadr has strong support in Iran. Following the arrest Khomeini sent a telegram in support of Baqr Sadr, and several other leading Iranian ayatollahs sent messages to Khoi, urging him to mobilize demonstrations for Sadr's release. Sadr's arrest sparked demonstrations in many Shia areas of Iraq and produced a show of force by the government.

The Iraqi View

Baghdad has sought since 1975 a stable relationship with Iran regardless of the political or religious orientation of the group that controls the government in Tehran. The Ba'thists were able to reach an accommodation with the Shah and probably would have liked to strike a similar deal with the Islamic Republic despite their aversion for the Ayatollah Khomeini.

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Behind Iraq's preference for a stable relationship is Baghdad's sensitivity toward outside meddling with its Shia community, which has a long history of conflict with Iraq's ruling Sunni minority. The Shia-Sunni split, which began as a dispute over the successor to the Prophet Muhammad in the 7th century, still stirs strong passions in Iraq some 13 centuries later. The Sunnis regard the Shias as ignorant, superstitious throwbacks to an age best forgotten. The Shias see Sunnis as heretical and materialistic and are ill at ease with the pan-Arab thrust of the Ba'th Party, which they regard as threatening to swamp them in a Sunni Arab sea.

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Iraqi Shias constitute 55 percent of the population and are in a good position to cause trouble for the predominantly Sunni Ba'thists should they adopt the Iranian experience as a blueprint for revolution. The Shias are concentrated in southern Iraq, both in urban and rural areas. Baghdad itself may be as much as one-half Shia. Major oil pipelines pass through the Shia provinces. Strategic installations such as the port of Basrah, the Persian Gulf oil terminals, and the southern oilfields are heavily dependent on Shia labor. Shias are also strongly represented among the lower ranks of the police and the military, though the officer corps is dominated by Sunnis.

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The Ba'thist response to the dissidents' potential for disruptive activities has been to mix generous applications of welfare benefits with harsh repression when cajolery and patronage fail. Although the military was used to put down religious rioting in the Shia holy cities of Najaf and Karbala in February 1977, the most noticeable effect of Iran's revolution on the Iraqi Government has been to stimulate special efforts by Baghdad to conciliate the Iraqi Shia community. President Saddam Husayn also has made a personal effort to deemphasize the secular aspects of Ba'thism, stress Islam, and play on traditional Arab-Persian animosities.

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Conflicting with these security fears is Iraq's pleasure at seeing its traditional rival in the Gulf brought low by internal revolution. Baghdad's interest in neutralizing the threat Khomeini poses for Iraq and the whole Gulf region was revealed in a unique approach to US diplomats made recently in Baghdad by an Iraqi official close to Saddam Husayn. This official stressed he was speaking personally, but his visit was almost certainly officially sanctioned, and his remarks reflected high-level Iraqi concern and willingness to support actions to hurry the replacement of the Khomeini regime.

The official emphasized the need for quick action to remove Khomeini and implied Iraqi approval of strong US pressure on Iran for the release of the American hostages. He was particularly interested in US actions to cut off military exports to Iran, suggesting the resultant deterioration in Iranian military effectiveness would permit Iraq to "deal with Khomeini on our own." The Iraqi official also took a sympathetic view of the problem the United States might face because of the boycott of Iranian oil and indicated that Baghdad would not object to a production increase in another Arab country to make up the shortfall from lost Iranian imports.

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Iraq continues to try to defuse the confrontation with the Khomeini regime, but the Iraqis are clearly frustrated and they would like to see an end to the Khomeini regime. Although Iraq has been in contact with some exile Iranian opposition elements, Baghdad probably will not sponsor an alternate candidate to replace Khomeini. Iraq's main objective in Iran is a government that respects Iraqi sovereignty. Beyond this, Baghdad would prefer that a successor regime be leftist, but non-Communist, and so preoccupied with internal affairs that it would be unwilling or unable to project its influence in the Persian Gulf, thus permitting Iraq to fulfill its long-sought goal of becoming the leading power in the area.

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Outlook

Tensions between Iran and Iraq may deteriorate further when the Shia mourning month of Muharram begins next week. During Muharram, Shias participate in highly emotional religious observances that highlight traditional Sunni-Shia tensions, and these could be exploited by Iranian clerics to stir up anti-Ba'thist demonstrations, a situation that clearly troubles Iraqi security officials

Neither Iraq nor Iran, however, appears to want to initiate a major conflict at present. Iranian forces are bogged down controlling the country's restive minorities. We have not detected any unusual Iraqi military activity recently. Several Iraqi armored and mechanized divisions are garrisoned near the border with Iran and could be deployed on short notice. Both sides,

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however, seem to realize that a conflict would be difficult to control and could easily involve the destruction of their oil facilities. Although Iraq has a decided military advantage over Iran, Baghdad recognizes that war with Khomeini's Iran might incite a Shia uprising.

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We do not rule out localized border clashes. Tehran in particular appears unable to keep its zealots in line. Baghdad's urge to retaliate for real or imagined injuries might lead to a cycle of provocation and retaliation that would end in a full-scale confrontation. Moreover, the danger exists that all semblance of government could collapse in Iran, presenting the Iraqis with an inviting target.

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Before Iraq moves to satisfy any territorial ambitions at Iran's expense, Baghdad would first have to weigh the consequences of its action against other important political gains. Such a move would immediately revive fears of Iraqi expansionism among the Arab states of the Persian Gulf, thus wiping out several years of Iraqi efforts to end their isolation in the Arab world. Saddam Husayn's desire to play a leading role in the nonaligned movement would also be harmed by a naked power play against a helpless Iran.

A significant border conflict between Iraq and Iran would have immediate and serious implications for the world oil market, since the two are among the world's largest oil exporters. Much of their oil infrastructure is located near the border and could be damaged by fighting or sabotage. Finally, an Iraqi-Iranian conflict, depending on its duration and extent, would have major implications for stability in the Middle East.

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